

September 2019

MONARCH BEACH MASTER HOMEOWNERS ASSOCIATION

www.monarchbeachhoa.org

Professionally Managed by Keystone Pacific Property Management, LLC - 16775 Von Karman, Ste. 100, Irvine, CA 92606

New Community Manager

Monarch Beach Master Homeowners Association is changing Keystone Pacific community managers.

The Board has selected DeLawrence Roby to become your new community association manager. Some of you may be already familiar with him as he is currently the manager for Marquesa at Monarch Beach and Villas at Monarch Beach.

He can be reached at droby@keystonepacific.com or 949-430-5807.

His associate is Robert Williams. You can contact Robert for work orders and common area concerns. Robert's email is rlwilliams@keystonepacific.com and phone number is 949-503-0342.

We look forward to working with these two new additions to Monarch Beach Master Homeowners Association.

We want to thank our outgoing manager, Rosmen Paguio, for all of the hard work and long hours that she put on behalf of the Monarch Beach Master Homeowners Association. We wish her all the best and much success with the new properties that she will manage.

Montego Shared Expense Agreement

As you probably know, Montego at Monarch Beach Association ("Montego") is not a sub-association of the Monarch Beach Master Association. Instead, Montego pays on behalf of its seventy-two (72) homeowners sixty-one (61%) percent of the monthly fee that Master Association homeowners pay.

The Settlement Agreement (as defined below) that established Montego's fee established a year-end adjustment, that is calculated annually.

Depending upon the result of the year-end adjustment, the sixty-one (61%) monthly fee may be increased or decreased for the next fiscal year or a check shall be paid by the Party entitled to a credit. Montego could owe money to the Master Association, or the Master Association could owe money to Montego. Montego has a right to request a refund or a next year fee reduction if they overpay pursuant to the Settlement Agreement, and the Master Association has the right to receive reimbursement if Montego underpaid.

[continued on next page]

BOARD OF DIRECTORS:

Gena Stinnett – President
David Whitham – Vice President
Paul Jacobs – Secretary
Jim Bradley – Treasurer
Carol McClain – Member at Large

NEXT BOARD MEETING:

September 23, 2019
Executive Session @ 6:00 PM
General Session @ 6:30 PM
Location: Prendiville Insurance Office
24661 Del Prado, Suite 3, Dana Point, CA
Upstairs Conference Room

The final agenda will be posted at the gate and on community website. You may also obtain a copy of the agenda by contacting Management at 949-430-5807

IMPORTANT NUMBERS:

ASSOCIATION MANAGER:

DeLawrence Roby
Phone: 949-430-5807 Fax: 949-377-3309
droby@keystonepacific.com
Emergency After Hours: 949-833-2600

COMMON AREA ISSUES / DECALS / TRANSPONDERS / GATE KEYS:

Robert L. Williams
Phone: 949-503-0342
rlwilliams@keystonepacific.com

BILLING QUESTIONS/ ADDRESS CHANGES/ WEBSITE LOGIN:

Phone: 949-833-2600
customercare@keystonepacific.com

GATE HOUSES:

Niguel Entrance: 949-496-8495
Stonehill Entrance: 949-661-9602

STREET SWEEPING:

Second and Fourth Mondays of each month from 8 am – 12 pm. Please inform vendors and/or guests not to park on the streets that morning.

OTHER ASSOCIATIONS INFO:

Keystone Pacific Property Management
Villas 949-833-2600
Marquesa 949-833-2600
Antigua 949-833-2600

AMMCOR

Estates 949-661-7767
Montego 949-661-7767

Montego Agreement Continued –

An initial review of the year-end adjustments for 2014 through 2018 reveal that Montego owes money to the Master Association.

Background

In early 2018, new board members looked into the agreement between the Master Association and Montego. Issues had arisen regarding maintenance of slopes near the monument walls at Niguel gate. The Master Association believed Montego was responsible for maintaining those slopes.

It took a while for Monarch Beach Master Association to locate the Settlement Agreement, which was the result of a lawsuit between the Master Association and the Montego developer. A Settlement Agreement and Reciprocal Grant of Easement was entered into between them, dated December 14, 1995, and was recorded with the Orange County Recorder's Office as Instrument No. 19950558945.

The lawsuit involved the access rights at Monarch Beach Drive (near Niguel Road and Stonehill Drive). Under the agreement, Montego did not become a sub-association of the Master Association. Instead, Montego pays a "Use Fee" to the Master Association for certain Shared Expenses.

The Use Fee is paid monthly by Montego to the Master Association at an amount equal to sixty-one percent (61%) of the Master Association's Regular Assessment on behalf of each of Montego's seventy-two owners. At the end of each year, the Master Association may determine whether the amount paid by Montego equals sixty-one percent of the Shared Expense costs for the fiscal year.

In the event that the amount of the Use Fee paid by Montego is less than sixty-one percent of the Shared Expenses for the fiscal year, Montego must pay the shortfall. Alternatively, the Master Association can increase the Use Fee for the next fiscal year. Likewise, if the year-end adjustment revealed Montego overpaid, then the Master Association would decrease the next year's Use Fee or refund the money as a lump sum.

The Shared Expenses are defined in the Settlement

Agreement and include all expenses related to the Drive, Gates, Guardhouses, guard service and the streetlights located along the Drive, all utilities related thereto, the Monument Walls, and the funding of reserves related to these improvements.

Going Forward

The Board has written to Montego to start discussions about collection of the Use Fee year-end adjustments. The Board anticipates that it may take some time to reach a resolution of this issue. We ask for the community's patience as we attempt to resolve this matter.

A copy of the Settlement Agreement has been posted on the Monarch Beach Master HOA website, under the tab: Association> Governing Documents> Rules and Regulations> Montego Shared Expense Settlement Agreement – Begins Page 106.



Rules and Regulations Adopted and Homeowner Survey Proposed

At the August 26, 2019 Board Meeting, the Board of Directors voted to approve the revised IDR/ADR Policy and to approve the updated Rules and Regulations for Monarch Beach Master. You received a notice on or around July 26, 2019 stating the Board's intention to update both documents, and you can find the approved Policy and Rules on the Monarch Beach Master website.

The Board considered the written and oral comments received from approximately 10 homeowners. They mentioned a variety of concerns regarding the current rules that they felt were outdated or are not being properly enforced, particularly those related to rules governing pets.

The Board decided to put together questions for a homeowner survey based in part on those comments. The Board plans to discuss survey questions at the September 23, 2019 meeting. In the meantime, you can always contact Management with any concerns you have with the Rules and Regulations or any matter. Management will forward your concerns to the Board.